



## Senate

General Assembly

**File No. 243**

January Session, 2015

Substitute Senate Bill No. 319

*Senate, March 26, 2015*

The Committee on Banking reported through SEN. WINFIELD of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT CONCERNING FINANCIAL LITERACY EDUCATION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 10-16b of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2015*):

4 (d) The State Board of Education shall make available curriculum  
5 materials and such other materials as may assist local and regional  
6 boards of education in developing instructional programs pursuant to  
7 this section. The State Board of Education, within available  
8 appropriations and utilizing available resource materials, shall assist  
9 and encourage local and regional boards of education to include: (1)  
10 Holocaust and genocide education and awareness; (2) the historical  
11 events surrounding the Great Famine in Ireland; (3) African-American  
12 history; (4) Puerto Rican history; (5) Native American history; (6)  
13 personal financial management, including, but not limited to, financial  
14 literacy as developed in the plan provided under section 10-16pp, as  
15 amended by this act; (7) training in cardiopulmonary resuscitation and

16 the use of automatic external defibrillators; and (8) topics approved by  
17 the state board upon the request of local or regional boards of  
18 education as part of the program of instruction offered pursuant to  
19 subsection (a) of this section.

20 Sec. 2. Subsection (a) of section 10-16pp of the general statutes is  
21 repealed and the following is substituted in lieu thereof (*Effective*  
22 *October 1, 2015*):

23 (a) The Department of Education, the Board of Regents for Higher  
24 Education, and the Board of Trustees for The University of  
25 Connecticut, in consultation with the Department of Banking, may  
26 develop a plan to provide to each student of a public high school or a  
27 constituent unit, as defined in section 10a-1, instruction in financial  
28 literacy, including, but not limited to, banking, investing, savings, the  
29 handling of personal finance matters, and the impact of using credit  
30 cards and debit cards. Upon development and implementation of such  
31 plan, such instruction may occur during a student's final year of high  
32 school and, for a student of a constituent unit, not later than such  
33 student's completion of his or her second semester at such constituent  
34 unit.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	10-16b(d)
Sec. 2	<i>October 1, 2015</i>	10-16pp(a)

**BA**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

## **OFA Fiscal Note**

### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 16 \$</b>	<b>FY 17 \$</b>
Education, Dept.	GF - Potential Cost	20,000	less than 5,000
UConn; Board of Regents for Higher Education	GF - Potential Cost	40,000	40,000

**Municipal Impact:** None

### **Explanation**

This bill broadens the topics that must be included in the financial literacy instruction plan that, by law, the Department of Education (SDE), Board of Regents for Higher Education (BOR), and UConn Board of Trustees (BOT) may develop. It must include: banking, investing, savings, and the handling of personal finance matters. Broadening the plan would result in a cost to SDE of less than \$20,000 in FY 16 and a minimal cost of less than \$5,000 in FY 17.

The cost in FY 16 is associated with researching and developing the necessary materials to assist local and regional boards of education with the expansion of personal financial management into their curriculums. The cost of \$5,000 or less in FY 17 is associated with printing and disseminating materials to the districts. It should be noted that the bill requires SDE to implement this change within available appropriations. It does not appear that this mandates the agency to perform the activity regardless of available funding, therefore, the cost described above is potential.

Additionally, the bill could result in a cost of \$40,000 to both the Board of Regents and the University of Connecticut (in total)

associated with printing and disseminating appropriate materials to students. The cost would only occur if a program were initiated.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 319*****AN ACT CONCERNING FINANCIAL LITERACY EDUCATION.*****SUMMARY:**

This bill broadens the topics that must be included in the financial literacy instruction plan, which by law, the Department of Education (SDE), Board of Regents for Higher Education (BOR), and UConn Board of Trustees (BOT) may develop (see BACKGROUND). Under existing law, the plan must include the impact of using credit and debit cards. Under the bill, it must also include banking, investing, savings, and the handling of personal finance matters.

Under existing law, the State Board of Education, within available appropriations and using available material, must assist and encourage school districts to provide courses in personal financial management. Under the bill, this includes any financial literacy instruction plan SDE, BOR, and UConn BOT develop.

EFFECTIVE DATE: October 1, 2015

**BACKGROUND*****Financial Literacy Instruction Plan***

By law, the SDE, BOR, and UConn BOT, in consultation with the Banking Department, may develop a plan to ensure that students in public high schools and state higher education institutions receive financial literacy instruction, which may occur (1) during a public high school student's final year and (2) by the end of the second semester for students at state higher education institutions (CGS § 10-16pp).

***Related Law***

By law, starting with the class graduating from high school in 2020, students must take at least two credits in career and life skill electives,

which can include personal finance courses (CGS § 10-221a).

**COMMITTEE ACTION**

Banking Committee

Joint Favorable Substitute

Yea    17        Nay    0        (03/10/2015)